



Understanding the Relationship Between Physical Environment, Price Perception, Customer Satisfaction and Loyalty in Restaurants

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Article History

Received: 18.04.2020

Accepted: 21.05.2020

Keywords

Physical environment

Price perception

Customer satisfaction

Customer loyalty

Restaurants

Abstract

The design of food and beverage businesses in the world has started to change, as well as the taste element, they have started to be evaluated in terms of physical elements. It is a matter of curiosity how this type of businesses, which stand out in terms of physical environmental factors, shape the perception of the customers' prices. How are the prices of the businesses that stand out in terms of decoration, layout and ambience are perceived by the customers? This study aims to reveal the relation between restaurant's physical environment and price perception, while also revealing the effect of price perception on satisfaction and loyalty. In this context, data were collected from 475 people who experiencing first class restaurants in Istanbul through questionnaires between March 2017 and May 2017. As a result of the data obtained, it was concluded that there was no significant relationship between both ambience and decoration and price perception, while a significant relationship was found between layout and price perception. Another important finding of the study is that the price has an effect on satisfaction but has no relation with loyalty.

Article Type

Research Article

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DOI: 10.21325/jotags.2020.577